

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'E', NEW DELHI**

**BEFORE SH. N. K. BILLAIYA, ACCOUNTANT MEMBER
AND
MS ASTHA CHANDRA, JUDICIAL MEMBER**

ITA No.935/Del/2022
Assessment Year: 2013-14

DCIT Central Circle – 20 Delhi	Vs.	M Sons Gems N Jewellery Pvt. Ltd. 1, Sarai Kale Khan, Nizamuddin East, New Delhi-110013 PAN No.AADCM9406A
(APPELLANT)		(RESPONDENT)

Appellant by	Sh. Subhra Jyoti Chakraborty, CIT DR
Respondent by	Sh. Sachin Jain, CA

Date of hearing:	23/01/2024
Date of Pronouncement:	23/01/2024

ORDER

PER N. K. BILLAIYA, AM:

This appeal by the revenue is preferred against the order of the CIT(A)-27, New Delhi dated 18.02.2022 pertaining to A.Y. 2013-14.

2. The grievance of the revenue read as under :-

1. *The Ld. CIT(A) has erred in law and on facts in deleting the addition of Rs.4,87,81,500/- made by the AO on account of unexplained unsecured loans u/s 68 of the IT Act.*

2. *The Ld. CIT(A) has erred in law and on facts in stating that the addition made by AO on account of unexplained unsecured loans u/s 68 of the IT Act, 1961 is not sustainable and deserves to be deleted as the addition had been made not on the basis of incriminating material/evidence found during the search proceedings.*

3. *The Ld. CIT(A) has erred in law and on facts in deleting the addition made by the AO in view of the judgment in the case of CIT Vs Kabul Chawla (2016) 380 ITR 0573 as the said decision does not deal with the facts & circumstances of the present case.*

4. (a) *The Ld. Commissioner of Income Tax (Appeals) is erroneous and not tenable in law and on facts.*

(b) *The appellant craves leave to add, amend any/all the grounds of appeal before or during the course of hearing of the appeal.*

The above grounds of appeal have already been approved by Pr. CIT, Central-2, New Delhi

3. Briefly stated the facts of the case are that a search and seizure operation was conducted by the Investigation Wing of the Department on 12.01.2017 in Crink Jewel Group of cases. In the search proceedings certain documents relating to the assessee were

also found and seized. Accordingly statutory notices were issued and served upon the assessee.

4. During the assessment proceedings the AO noticed that the assessee has taken long term borrowings from different parties. The assessee was asked to furnish the details / information alongwith evidences. On receiving no plausible reply the AO made the addition of Rs.48781500/- as unexplained credit.

5. The addition was challenged before the CIT(A) on the ground that no incriminating material was made the basis for the impugned addition. The CIT(A) was convinced that the ratio laid down by the Hon'ble Delhi High Court in the case of Kabul Chawla 380 ITR 573 is squarely applicable and deleted the addition.

6. We have carefully perused the assessment order. There is no dispute that the addition as unexplained cash credit is based upon the entries found in the books of account of the assessee and has nothing to do with any incriminating material found at the time of search. Therefore, the ratio laid down by the Hon'ble Supreme Court in the case of **Abhisar Buildwell 454 ITR 212** the CIT(A) deleted the impugned addition.

7. In the light of the above we decline to interfere with the findings of the CIT(A) the appeal of the revenue is accordingly dismissed.

8. Decision announced in the open court on 23.01.2024.

Sd/-
(ASTHA CHANDRA)
JUDICIAL MEMBER

NEHA

Date:- .01.2024

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-
(N.K. BILLAIYA)
ACCOUNTANT MEMBER

ASSISTANT REGISTRAR
NEW DELHI